

DELIVERED ELECTRONICALLY

May 9, 2022

Mr. Claudio Fort, President and CEO
Rutland Regional Medical Center
160 Allen St.
Rutland, VT 05701

**RE: Docket No. GMCB-012-17con, Construction of Medical Office Building,
Renovations to Loading Dock, Dietary and Vermont Orthopedic Clinic and
Upgrades to Site Drainage and Detention Pond System.**

Dear Mr. Fort:

The Certificate of Need (CON) for the above referenced project was issued on January 23, 2018 and was amended on August 25, 2021 to extend the timeline for completion of the project from three to four years. On January 20, 2022, Rutland Regional Medical Center (RRMC) disclosed a change in the project to include replacement of the HVAC system in the former Vermont Orthopedic Clinic (VOC) building, a building that was included in the original scope of the above referenced project.

The replacement of the HVAC system in the VOC building was not anticipated and therefore not included in the original scope of the project. However, when extreme cold weather set in during the winter of 2021/2022, the HVAC system serving the VOC building failed, forcing replacement of the system to ensure comfortable conditions for employees occupying that space. In replacing the HVAC system in the VOC building, RRMC has partnered with Efficiency Vermont and design/construction business partners to develop a solution that resolves the system deficiencies, ensures code compliance, and promotes energy efficiency and reduction in the use of fossil fuels.

The total cost of the original project was \$23,883,569. The original scope of work was completed for \$2,995,637 under budget. The cost of the replacement of the HVAC system in the VOC building is projected to cost \$586,500. RRMC represents that even with the replacement of



the HVAC system, the total cost of the original scope of work (\$23,883,569) combined with the cost of the replacement of the HVAC system in the VOC building (\$586,500) will result in a total project cost of approximately \$21,474,432, which will still bring the project in under budget. Therefore, replacing the HVAC system in the VOC building does not result in the project cost exceeding the total original approved cost of the project.

Accordingly, RRMCM may properly include the HVAC replacement in the CON. The Board will issue an order to extend the CON to January 23, 2023. If you need a longer extension, please submit a request by May 16, 2022 with an explanation of why more than a year is required. In addition, RRMCM shall continue to submit implementation reports every six months from the date of the original CON issued and thereafter until all components and phases of the project are complete and fully operational and all invoices have been received and paid that include the original scope of the above referenced project and the VOC HVAC system costs. All other conditions specified in the original (January 23, 2018) and amended (August 25, 2021) CON issued remain in force.

Sincerely,

s/ Donna Jerry

Donna Jerry

Senior Health Policy Analyst

cc. Laura Beliveau
Staff Attorney

